

Montana Transportation Commission

February 6, 2006 – Telephone meeting

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Note: => indicates follow-up is needed.

The Montana Transportation Commission met via conference call on February 6, 2006.

The meeting was called to order by Chairman Kennedy at 10:06 am with the following participants:

- Bill Kennedy, Transportation Commission Chair (District 5)
- Rick Griffith, District 2 Transportation Commissioner
- Deb Kottel, District 3 Transportation Commissioner
- Jim Currie, MDT Deputy Director
- Tim Reardon, MDT Chief Counsel
- Loran Frazier, MDT Chief Engineer
- Mark Wissinger, MDT Construction Engineer
- Suzy Althof, MDT Contract Plans Bureau Chief
- Jeff Olsen, MDT Bridge Engineer
- Lorelle Demont, MDT Transportation Commission Secretary
- Bruce Rost, Gary Erickson and Rich King – Cop Construction

Agenda item 1: Award projects from January 26, 2006 letting

Loran Frazier reviewed staff recommendations to award 24 of the 25 projects from the January 26, 2006 bid letting (see attached) as follows:

Project 1: Vic White Coyote Rd-S Ravalli [NH 5-2(120)20]

Five bids were tendered on this A+B project. There were no errors or omissions in the low bid which was 10.68 percent over our engineers' estimate. Since we are unable at this point to determine the actual B portion of the bid, only the A portion is considered for award.

Guidelines for award for this project are 10 percent and the low bidder's base bid is 10.68 percent over the engineers' estimate. We received higher prices for 70-28 asphalt this month than we did last month. The engineers' estimate was \$300 and the prices we received ranged from \$370 to \$420. If we used an average of \$393 (based on the bids we received), the engineers' estimate would be adjusted by \$289,546 to \$15,892,801.05. The low bid would be 8.7 percent above the revised engineers' estimate and is within guidelines for award.

Staff recommended the contract be awarded to Riverside Contracting Inc. in the amount of \$17,269,806.85.

Project 2: Checkerboard – West & White Sulphur Springs – South [STPP 14-2(27)56 & STPP 14-2(28)33]

Four bids were tendered. There were no errors or omissions in the low bid which was 4.48 percent over our engineers' estimate. This project was previously let in December, 2005 and we received one bid that was 22.6 percent over the engineers' estimate (\$507,253.50). The project was not awarded and was re-let this month. We received four bids and the low bid is 4.48 percent over the engineers' estimate (\$432,263). By not awarding this project the first time, the taxpayers of Montana saved \$74,990.50.

Staff recommended the contract be awarded to Pavement Maintenance Solutions Inc. in the

amount of \$432,263.00.

Project 3: Mud Creek Structures [NH-PLH 5-2(142)51]

Four bids were tendered. There were no errors or omissions in the low bid which was 17.78 percent under our engineers' estimate.

Staff recommended the contract be awarded to Riverside Contracting Inc. in the amount of \$6,974,633.45.

Project 4: Angela – N & S [STPP 18-1(9)18]

Four bids were tendered. There were no errors or omissions in the low bid which was 0.74 percent over our engineers' estimate.

Staff recommended the contract be awarded to M K Weeden Construction Inc. in the amount of \$10,357,139.76.

Project 5: Tongue River – Miles City & Tongue River – Miles City [BR 2-1(34)2 & BR-STPE 9009(11)]

Four bids were tendered. There were no errors or omissions in the low bid which was 5.63 percent under our engineers' estimate.

Staff recommended the contract be awarded to Sletten Construction Company in the amount of \$6,941,342.05.

Project 6: South of Sidney – Southwest [NH 20-2(23)29]

Three bids were tendered. There were no errors or omissions in the low bid which was 17.89 percent under our engineers' estimate.

Staff recommended the contract be awarded to Northern Improvement Co – Fargo in the amount of \$3,811,294.95.

Project 7: Ovando – East & Lincoln – East & West [NH 24-2(20)43 & NH 24-3(29)68]

Three bids were tendered. There were no errors or omissions in the low bid which was 0.7 percent under our engineers' estimate.

Staff recommended the contract be awarded to Schellinger Const Co. Inc. in the amount of \$3,249,999.90.

Project 8: Roosevelt Co Line-East [NH 1-10(55)581]

Three bids were tendered. There were no errors or omissions in the low bid which was 9.38 percent over our engineers' estimate.

Staff recommended the contract be awarded to Northern Improvement Co – Fargo in the amount of \$1,880,859.90.

Project 10: NW of Miles City – NW [STPP 18-1(13)2]

Two bids were tendered. There were no errors or omissions in the low bid which was 12.3 percent under our engineers' estimate.

Staff recommended the contract be awarded to Prince Inc. in the amount of \$1,680,945.38.

Project 11: Columbia Falls – East & West [NH 1-2(133)134]

Two bids were tendered. There were no errors or omissions in the low bid which was 1.45 percent over our engineers' estimate.

Staff recommended the contract be awarded to J T L Group Inc. – Kalispell in the amount of \$1,073,508.39.

Project 12: Strevell Ave – Miles City & Wilson St – Miles City [STPU 8006(2) & STPU 8013(2)]

One bid was tendered. There were no errors or omissions in the low bid which was 6.32 percent under our engineers' estimate.

Staff recommended the contract be awarded to Century Companies Inc. in the amount of \$1,136,422.00.

Project 13: Portable Scale Sites – Msla [NH 7-2(37)83]

Two bids were tendered. There were no errors or omissions in the low bid which was 7.75 percent under our engineers' estimate.

Staff recommended the contract be awarded to Montana Materials Inc. (Dba) L S Jensen in the amount of \$963,068.75.

Project 14: Helena – East Helena [NH-STPHS 8-2(61)46]

One bid was tendered. There were no errors or omissions in the low bid which was 7.87 percent over our engineers' estimate.

Staff recommended the contract be awarded to Helena Sand & Gravel Inc. in the amount of \$1,381,614.40.

Project 15: St Regis – NE & East of St Regis – East [STPP 35-1(14)0 & STPP 35-1(13)3]

Four bids were tendered. There were no errors or omissions in the low bid which was 3.87 percent over our engineers' estimate.

Staff recommended the contract be awarded to Riverside Contracting Inc. in the amount of \$941,314.49.

Project 16: Big Hole Pass – East & West & Wisdom – West [STPS 278-1(21)30 & STPP 46-2(12)8]

Two bids were tendered. There were no errors or omissions in the low bid which was 0.9 percent over our engineers' estimate.

Staff recommended the contract be awarded to Jim Gilman Excavating Inc. in the amount of \$596,813.31.

Project 17: Augusta – South [SFCS 435-1(1)0]

Four bids were tendered. There were no errors or omissions in the low bid which was 3.9 percent under our engineers' estimate.

Staff recommended the contract be awarded to Schellinger Const Co. Inc. in the amount of \$1,112,509.85.

Project 18: Musselshell-N & S [STPS 310-2(10)34]

Three bids were tendered. There were no errors or omissions in the low bid which was 2.39 percent over our engineers' estimate.

Staff recommended the contract be awarded to J T L Group Inc. – Billings in the amount of \$1,157,709.00.

Project 19: Jct Sec.-401-E & W [STPS 302-1(8)10]

One bid was tendered. There were no errors or omissions in the low bid which was 6.3 percent under our engineers' estimate.

Staff recommended the contract be awarded to J T L Group Inc. – Billings in the amount of \$777,947.05.

Project 20: Conrad – Northeast [STPP 21-1(19)4]

Two bids were tendered. There were no errors or omissions in the low bid which was 17.78 percent over our engineers' estimate. The two items for this project with the most dollar variance were for mobilization and cold milling. This project is within the city limits so the cold milling involves numerous radii and curb returns. The engineers' estimate for cold

milling was \$1.75. The bids received were \$3 and \$4. A price of \$3 would be more reflective of the type of work that needs to be done in this location. This would adjust the engineers' estimate by \$40,323.75. After this adjustment is made, the engineers' estimate is \$512,022.75. The low bid is 8.5 percent above the revised engineers' estimate and within guidelines for award.

Staff recommended the contract be awarded to Riverside Contracting Inc. in the amount of \$555,555.55.

Project 21: Cascade – N & S [IM 15-5(108)248]

Three bids were tendered. There were no errors or omissions in the low bid which was 15.09 percent under our engineers' estimate.

Staff recommended the contract be awarded to Pavement Maintenance Solutions Inc. in the amount of \$525,061.92.

Project 22: 2002-D1-Bridge Deck Seal & Orange Street Bridge – Missoula [IM-BH 0002(757) & STPU 8107(17)]

Three bids were tendered. There were no errors or omissions in the low bid which was 25.8 percent under our engineers' estimate.

Staff recommended the contract be awarded to Tamietti Construction Co. Inc. in the amount of \$296,440.00.

Project 23: Sage Creek – 23 Km East of Whitlash [BR 9026(15)]

Two bids were tendered. There were no errors or omissions in the low bid which was 50.2 percent over our engineers' estimate. We received two bids for this project and the low bid was 50.2 percent above the engineers' estimate. The item with the most dollar variation is the 3000mm x 1500mm double reinforced concrete box.

We received a letter from Century Companies, Inc. (attached) with a quote of \$2,867 from Cretex for the box culvert. Century stated that their bid price of \$7,910 included the cost for a crane to set the culverts, excavation, hauling excess excavation material, rerouting of the creek, dewatering, sand bedding and installation of native material inside the culvert. The letter also states that the timing of the permitting process could be an issue.

We have no bid history for this size of a box. The project is in a remote location – almost to the Canadian border and located on a gravel road.

Given that the second bidder bid \$7,000 for this item, it would appear that the engineers' estimate of \$4,900 is low. If we use \$7,000 for the box culvert, the engineers' estimate would be adjusted by \$44,100. If we adjust mobilization based on the new estimate (18 percent) the additional adjustment would be \$5,000 bringing the revised engineers' estimate to \$241,564.05 which is 19.7 percent below the low bid and within guidelines for award.

Staff recommended the contract be awarded to Century Companies Inc. in the amount of \$289,081.10.

Project 24: 2000 – Guardrail – Marias Pass [STPHS 1-3(49)199]

Two bids were tendered. There were no errors or omissions in the low bid which was 60.08 percent over our engineers' estimate. We received two bids for this project and the low bid was 60.08 percent above the engineers' estimate. The item with the most dollar variance was the embankment in place.

The embankment in place for this project is for widening and flattening behind the guardrail. We had similar work on the *2000 – Guardrail – West of Belt* project that was let in January 2005 and the low bid price we received for embankment in place was \$60. The awarded bid price for the *Guardrail – West Glacier – SE* project that was let in August 2004 was \$48.90. The engineers' estimate for this item was \$25 for a quantity of 843 cubic meters. The low bid was \$61 and the second bidder came in at \$57. Due to bid history and the bids received for this project, \$60 can be justified – this would adjust the engineers' estimate by \$29,505.

If mobilization is adjusted accordingly (15 percent) it would adjust the estimate by \$2,500. The revised engineers' estimate would be \$137,551 which is 22.8 percent below the low bid

and is within guidelines for award.

Staff recommended the contract be awarded to Omo Construction Inc. in the amount of \$168,961.56.

Project 25: 2000-Slope Fltn-N Jct MT 200 [STPHS 36-1(21)3]

Five bids were tendered. There were no errors or omissions in the low bid which was 37.89 percent under our engineers' estimate.

Staff recommended the contract be awarded to Windy Ridge Construction Inc. in the amount of \$24,999.10.

Commissioner Griffith moved to accept staff recommendations to award projects 1 through 25 absent project 9; Commissioner Kottel seconded the motion. All three commissioners voted aye.

Project 9: West Laurel Interchange [IM-STPHS 90-8(154)433]

One bid was tendered. There were no errors or omissions in the low bid which was 83.97 percent over our engineers' estimate. The work to be done included bridge rehab and approach work on both the east bound and west bound lanes and an experimental deicer system.

Frazier said we asked the contractor, Cop Construction, for information on their bid, given that most of the bid items were high compared to the engineers' estimate. Their letter notes that their bid reflects the schedule intensity needed to complete the project on time and without assessment of damages.

Contract time for this project is a calendar day contract and was to be substantially complete by November 1, 2006 with the remaining work to be completed in 20 working days. The contract included an incentive of \$2,400 for each calendar day the contract was substantially complete before the date specified up to a maximum of 30 days. The disincentive was \$2,400 for each calendar day the contractor uses to substantially complete the contract beyond the November 1, 2006 completion date.

Almost all of the bid items were well over the engineers' estimate. The items with the most dollar variance were as follows: crossover – construct maintain & remove, mobilization, concrete class sd, remove deck, drilled shaft – 1.07 m, and structural steel – girder.

After justifiable adjustments were made to several bid items, the revised engineers' estimate was \$2,819,438. The low bid was still 65.1 percent above the estimate and not within guidelines for award.

Staff recommended the contract **not** be awarded to Cop Construction in the amount of \$4,654,864.85.

Chairman Kennedy opened the floor to Cop Construction for their comments. Bruce Rost said we sent over a response to Suzy Althof at her request (see letter dated January 30, 2006). We received a phone call on Friday [February 3] from Lorelle Demont informing us that staff was recommending the commission reject our bid. We sent over another quick response via fax. We believe there is a misunderstanding on either Cop Construction's or MDT's part regarding what it takes to work over Highway 212 and the railroad. In order to complete the work in 2006 and not incur liquidated damages, we would need to run two shifts daily for six days a week. This is a significant number of manhours and requires the additional expense of overtime hours. Some of our subquotes were high and in some cases, we only received one subquote per item. Here is a breakdown of our bid: \$1.74 million for the crossover, \$1.68 million for manhours, \$0.67 million for materials, and \$0.48 for equipment.

We are having difficulty understanding how this job could be built for the cost of MDT's estimate. Because of access issues, work will move slowly. We understand that Sletten had a bid package in but they retrieved it after tendering the low bid on the Miles City project, so their bid for this project wasn't read and we don't know what their estimate was. We think there is not a lot of interest in this job because of the difficulties involved. We are interested in rebidding the project if that's the decision made today, but unless there are major changes

to the terms of the project, our bid is not likely to change.

Rich King noted that not awarding the project today would result in a two-season job, with the attendant issues and increased costs.

Frazier summarized: we have one bidder on this project; the guidelines for project awards state that projects over \$2 million may exceed the engineers' estimate up to 10 percent. We've reviewed our estimate and made the adjustments we could justify, but the sole bid is still 65 percent above the engineers' estimate. Because of the high bid price along with the lack of competition, we recommend the commission not award this project and rebid it in an upcoming letting, likely April 2006.

Griffith asked why there is a lack of competition. Frazier said he had no idea. Griffith asked if it was related to the location of the project. Frazier said it's in Laurel, which is fairly close to Billings on I 90. These are some busy roads.

Currie said it's always a crapshoot when we don't award a project and rebid it. What I can tell you is that more times than not, we save money by so doing. There's an example of that in this letting. But there is no guarantee.

Kennedy asked if we go out and rebid, are we looking at one or two construction seasons for this work? Frazier said we are likely to rebid this in the April letting. We will look at sequencing and some other issues on the project. Work could likely begin in June. Kennedy asked what happens if we only get one bid again. Frazier said we would cross that bridge if we got there. Griffith asked what the history was on getting more bidders the second time around. Frazier said the chances are pretty good that we will get more bidders.

Kottel said I recommend we rebid the project for two reasons: one, engineering staff have analyzed their estimate and the bid; and two, the bid is not a little bit over the estimate, it's significantly over.

A representative from Cop Construction noted that the traffic from the Beartooth highway comes in at this intersection. There is likely to be a lot of tourist traffic this summer from the recently repaired Beartooth. That traffic volume affects the work and poses an additional risk to us. Kennedy asked if our estimate takes these factors into account. Frazier confirmed that it did.

Kottel asked staff to please relook at these issues and timelines prior to re-letting this project. Griffith asked if the bid was high perhaps because of a misunderstanding of the work elements.

A representative from Cop Construction said the crossover quote was high. As a general contractor, we could look at putting together another package. But, at bid time, there wasn't enough time to do that. Kennedy asked if the rebid would give them time. The Copp representative said yes.

Commissioner Kottel moved to accept staff recommendations to reject the bid for project nine; Commissioner Griffith seconded the motion. All three commissioners voted aye.

Commissioner Kottel moved that the project be re-let in a timely fashion and that staff look at the issues raised by the bidder, including the risk factors, traffic volumes and time frames; Commissioner Griffith seconded the motion. All three commissioners voted aye.

Agenda item 2: Review schedule for TCP development (Fall 2006)

The following dates were proposed for the development of the Tentative Construction Program this fall:

- . **Preparatory meeting**
September 13 or 14
- . **District 1**
10 am – 3 pm, October 16
- . **District 3**
8 am – noon, October 17
- . **District 2**

1 pm – 5 pm, October 17

- **District 4**

1 pm – 5 pm, October 18

- **District 5**

8 am – noon, October 19

- **TCP final review**

1 pm – 5 pm, October 19

- **TCP commission approval**

8:30 am, October 20

Commissioners Griffith, Kottel and Kennedy confirmed that the proposed dates worked for them.

Commissioner Griffith moved to accept the meeting dates and times to develop the Tentative Construction Program by district as follows, subject to the availability of Commissioners Howlett and Espy; Commissioner Kottel seconded the motion. All three commissioners voted aye.

The call concluded at 10:39 am.

Bill Kennedy, Chairman
Montana Transportation Commission

Jim Currie, Deputy Director
Montana Department of Transportation

Lorelle Demont, Secretary
Montana Transportation Commission

attachment